

Analysis Of The Influence Of Financial Rewards, Motivation, Job Market On Career Intention As A Public Accountant

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Abstract:

This study intends to examine the idea that financial incentives, labor market factors, and motivation affect students' interest in becoming public accountants. 100 students at one of private university in Indonesia were given questionnaires, which helped collect the study's data. The convenience sampling approach was used to choose the study's sample. Multiple linear regression techniques were used to examine the data using SPSS software. The findings of this study suggest that while labor market factors have a detrimental impact on accounting students' interest in becoming public accountants, motivation has a favorable affect on this desire. Although financial incentives encourage accounting students to choose a career as a public accountant.

Keywords: Labor Market, Students, Public Accountant, Career.

Introduction

Making job decisions is one of the crucial steps in the life journey since a person's work is one of the vital facets of their existence and will have a significant influence on their values and aspirations. A career is the outcome of one's self-development inside an organization. It is an accumulation of information linked to skills, expertise, and a network of professional relationships. After finishing their studies, students' career creation begins with the career selection step, which will explain their personality, hobbies, and educational background. Almost every student in an accounting degree aspires to work as a professional accountant (Ambari & Ramantha, 2017).

One of the various professions that can be chosen by an accounting graduate is the Public Accountant profession. Public Accountant is a profession that will later conduct an examination and provide an objective opinion on a company's financial statements. According to Law Number 5 of 2011 concerning Public Accountants, states that Public Accountants provide assurance services such as audit services on financial statements, review services on financial statements and other insurance services (Lumingkewas, 2016). The services provided by the Public Accountant will be widely used by related parties such as investors, creditors, government, and stakeholders as

one of the considerations for economic decision making. Public Accountants play a major role in increasing transparency and quality of information in a financial report to realize a healthy and efficient national economy. Baridwan in Ari et al in their research said that, the main job of a Public Accountant is an audit activity that will provide an opinion on the fairness of a financial report prepared by company management (Lasmana & Kustiana, 2020).

In the current era of globalization, every country including Indonesia is required to present financial reports that have high accountability and transparency and this is the responsibility of a Public Accountant. Due to these conditions, the development of the Public Accountant profession should be in line with the rapid increase in the number of companies in Indonesia that require the services of the Public Accountant profession. In reality, in Indonesia this is inversely proportional. The growth in the number of Public Accountants in Indonesia each year does not show a significant increase (Lumingkewas et al., 2019).

The data shown by the Indonesian Institute of Certified Public Accountants (IAPI) says that the number of active IAPI members as of October 2022 was 5,666 people, while the number of Public Accountants was only 1,470 people. When compared to the number of Public Accountants in 2021 which only amounted to 1,461, then, in the last one year, the addition of the number of Public Accountants was only 9 people. When compared to the Population Administration data as of June 2022, the total population of Indonesia is 275,361,267 people. This means that the number of registered accountants is only about 1 in 187 thousand. This difference is very disturbing to some parties, such as the anxiety conveyed by Retty Setiawan, who served as Executive Director of IAPI in 2022 until now. Retty Setiawan said that the number of accountants in Indonesia at this time is quite troubling and there should be regeneration because many Public Accountants aged 50 years and even 70 years are still active as Public Accountants.

The increase in the number of registered accountants in Indonesia each year does not show a significant number. This is evidenced by the periodic indographic report published by the Center for Financial Professional Development (PPPK) which shows that the number of registered accountants in 2022 was 22,438 people, in 2021 there were 22,328 people, in 2020 there were 22,108 people and in March 2019 the number of registered accountants was 21,922. In the indographic report, the number of Public Accountants in Indonesia is also presented. The addition of Public Accountants each year is not significant. In 2019 Indonesia only has 1,435 Public Accountants and in 2020 it has 1,453 Public Accountants, meaning that there are only 18 additional Public Accountants in the vulnerable 1 year then in 2021 Indonesia has 1,454 Public Accountants which means that the addition of Public Accountants between 2020 and 2021 is only 1 person and in 2022 the number of Public Accountants in Indonesia increases by 16 people so that the number of Public Accountants owned by Indonesia until 2022 is 1,470 people.

In addition, the data in the indographic report also shows that, of the total number of registered Public Accountants in 2022, Indonesia only has 904 practicing accountants. The number of practicing accountants is certainly not proportional to the growth rate of companies in Indonesia so that it becomes a separate problem in the world of the Indonesian economy. The age structure of Public Accountants is also one of the problems in the development of Public Accountants in Indonesia. The number of companies that must be audited in Indonesia every year is increasing with this fact proving that the level of regeneration and interest among young people to enter the Public Accountant profession is still very low in Indonesia (Oetomo et al., 2022). Interest is a sense of more interest or a sense of liking for a thing or activity that arises from self-will. There are many factors that can influence student interest in a career as a Public Accountant. Some of these factors such as motivation, labor market considerations, financial rewards, and many more. The author's aim in this study is to analyze the influence of these factors on the interest of accounting students at one of private university in Indonesia to pursue a career as a Public Accountant.

Literature Review

In the world of classical philosophy education, there are schools of education which are divided into Empiricism, Nativism, Naturalism, and Convergence. Empiricism is a school that views that the formation of a person's personality is the impact of education and the environment they receive from childhood because, according to Helvatus, a philosophical education expert in Husamah said that humans are born with the same nature and character that is pure and clean (Pramudito et al., 2023). Empiricism theory is also known as Paedagogical

Optimism because this theory that factors outside of the human being that affect its development and growth in other words, formal and informal education will determine the future of humans. This is very contrary to the flow of nativism because, in the flow of nativism, the growth and development of the human self depends on the ability of each individual (Oetomo & Ramdhani, 2021). Naturalism is a school that has the view that every human being is good when born into nature but damaged when in the hands of humans. The convergence school is a school that combines empiricism and nativism. According to the convergence school, innate nature will not develop without the influence of the environment and vice versa (Lukman & Juniati, 2016).

The flow of nativism according to Purwanto comes from the Latin terms *natus* and *nativist*. *Natus* means *latir* and *nativis* means *innate*. The flow of nativism was initiated by a philosopher named Arthur Schopenhauer in 1788-1860. According to Suswandari, the theory of nativism considers that the development of the human self and its nature is determined by factors that have been brought from birth so that it can be said that it is the basis of human heredity. This theory is also known as the flow of pessimism because this flow has the view that educational and environmental factors can have less influence on the process of development and education or learning. According to Pettalongi, the theory of nativism views children who have good innate traits then, can automatically progress and develop, otherwise if the child has an innate nature that is not good then, the child will grow to be bad because, education cannot change and improve it (Mahyami, 2013).

Theory of reasoned action is a theory developed by Fishnein and Ajzen explaining the origin of the field of social psychology. Law also explained that this theory of reasoned action defines the relationship between beliefs, attitudes, norms, intentions, and individual behavior. This theory assumes that a behavior is determined by an individual's desire or intention regarding doing or not doing a behavior and this desire is influenced by attitude and subjective norms. Attitude is defined as an attitude towards behavior that is expressed by positive or negative feelings by individuals in action, while subjective norms can be interpreted as an individual's belief in terms of approving or not a certain behavior. In other words, it can be concluded that attitude refers to individual perceptions of certain behaviors such as favorable or unfavorable things while subjective norms refer to individual assessments regarding other preferences and support for behavior (Senjari, 2016).

Lauw also explained that TRA is a model that relates between a person's career choice and attitude because the TRA model defines the characteristics of human behavior as something that is done intentionally and rationally so that TRA can predict that students' intention to choose a career is strongly tied to attitude and subjective norms towards that career. In the large Indonesian dictionary, motivation is defined as an urge that a person feels either consciously or unconsciously to take an action that has a specific purpose. Motivation can also be interpreted as an accumulation of efforts that move a person or group of people to do something in order to achieve a desired goal or to achieve satisfaction with the action. Senjari in his research said, there is a theory of motivation known as Moslow's theory, developed by Abraham H. Moslow explains that there are five hierarchies of needs possessed by humans, namely physiological needs, security or safety needs, then social needs such as attention and love from the environment, then appreciation needs or feeling valued by the environment and certain aspects and self-actualization needs (Oetomo & Ramdhani, 2021).

According to Janus said that motivation is divided into two types, namely intrinsic motivation and extrinsic motivation. Intrinsic motivation is motivation that comes from within, carried out so that one's needs will be quickly met then, intrinsic motivation can be divided into intrinsic motivation based on pleasure and based on obligation. Intrinsic motivation based on pleasure is a condition when a person does something because it is driven to get pleasure from what he does while intrinsic motivation of obligation is a condition when a person must obey social norms and behave professionally in order to get status and recognition because, basically a person will feel better and more satisfied when he can comply with group norms which include ethical standards, professional rules and ethics of honesty (Mahyami, 2013).

Extrinsic motivation is motivation that arises from outside of humans such as, someone does something because he is motivated to get rewards such as gifts of goods or money. Extrinsic motivation has a negative impact on individuals because, if individuals do not get extrinsic motivation, these individuals will not be motivated to do these actions. Motivation arising from oneself is described as the desire to progress, the ability to make initiative decisions, be able to act effectively and be able to deal with failure. Therefore, an accounting student who has a desire to become a public accountant must have strong motivation to be able to achieve this. Labor market considerations are described as the availability of jobs that can be accessed in the future. In addition to the availability of accessible jobs, labor market considerations also include job security which is defined as the chosen career can be chosen for a long period of time and away from layoffs. Jobs that will be more in demand are certainly

jobs that have a broad job market because, jobs that have a broad job market will provide more opportunities for growth and large rewards as well. Because of this, labor market considerations are one of the factors that influence the interest of accounting students in making decisions to become a Public Accountant (Pramudito et al., 2023).

According to Andrianti in Ambari and Ramantha, the amount of information related to the rapid increase in companies both in the form of individuals and legal entities of Public Accountant services makes students majoring in accounting have a tendency to choose Public Accountants as their career because, the increase in the number of companies causes more job opportunities to be offered. Labor market considerations are closely related to Maslow's needs theory which explains that humans have a need for security which includes a sense of security for protection from occupational hazards, a sense of security from guarantees for the continuity of their work, and a sense of security from the old age guarantees that they will get when they are no longer productive. Job security can be said to be a factor when a career can continue to last for a long period of time and someone will naturally avoid a career that has no guarantee of the job security factor (Oetomo et al., 2022).

Financial reward is a reward obtained for the work that has been done which is given by the company as an attraction to provide satisfaction to employees in the form of wages and salaries with the aim of meeting the physical, social and egoistic needs of employees so that they can feel job satisfaction from their position. According to Suyono, financial rewards are used as a benchmark in assessing the consideration of the rewards given to employees for the services they have provided to the company. As for what is included in financial rewards, namely high salaries, pension funds, and potential salary increases. Financial rewards according to Kwarto and Saputra are everything that employees get in exchange for services provided to the company in the form of money or goods directly or indirectly. Financial rewards with all kinds of forms included in it, must be based on the principles of justice, decent principles and reasonable principles (Lasmana & Kustiana, 2020).

Interest is an interest or liking for something or activity that arises from within without any encouragement or coercion from any party. According to Syah in Harianti, interest can be interpreted as a tendency and passion or an extremely high desire for something. According to Harianti, if someone has an interest in an object, then he will continue to follow the development of information related to that object because interest in an object will encourage curiosity and a sense of wanting to learn more about that object (Lumingkewas, 2016).

Methodology

This research uses associative research with quantitative methodology. This research was conducted at one of private university in Indonesia, where there were 100 people who were sampled using the Slovin formula, which had previously used probability sampling and straightforward random sampling methods. Primary data and secondary data are the two types of data used in this study, where primary data is collected through the use of questionnaires and interviews that have previously been tested for validity and reliability. While secondary data can be found in journals or other supporting sources of research. Multiple linear regression analysis and literature study were used in the data analysis of this research. The information is then displayed using descriptive analysis.

Results

Before leading to the main hypothesis testing, the data in this study were processed in the classical assumption test to fulfill the requirements of linear regression analysis. In the normality test, it was found that the significant value of this research was obtained at $0.200 > 0.05$, which means that the data is normally distributed and has met the normality requirements in the regression model. Through P-Plot testing, it is obtained that the points follow and approach the diagonal line, meaning that the regression model fulfills the normality assumption.

Based on multicollinearity, it is known that the tolerance value of all independent variables > 0.10 and the VIF value of all independent variables < 10.00 . So based on the results of the above calculations it can be concluded that the regression equation model does not have a multicollinearity problem and can be used in this study. Meanwhile, based on the results of heteroscedasticity, it is known that there are no dots that form a certain pattern, and the dots spread above and below the number 0 on the Y axis, so there is no heteroscedasticity.

The constant value (a) shows the value of student interest (Y). This means that if the variables of motivation, labor market considerations, and financial rewards are considered constant, then the value of student motivation is 5,222. Student motivation is directly proportional to student interest. This can be seen from the regression

coefficient on the student motivation variable (X1) of 0.384. This means that there is a unidirectional relationship between student motivation and student interest. Where the better the student motivation, the more student interest will increase. Labor market considerations are inversely proportional to student motivation. This can be seen from the regression coefficient on the labor market consideration variable (X2) of -0.04. This means that there is an opposite relationship between labor market considerations and student motivation. Where the higher the labor market considerations, the student motivation will decrease. Financial Reward is directly proportional to student motivation. This can be seen from the regression coefficient on the Financial reward variable (X3) of 0.331. This means that there is a unidirectional relationship between financial reward and student motivation. Where the better the financial reward obtained, the more student motivation will increase.

Based on simultaneous testing, it is said that the calculated F value is 5.502 and the significance value is 0.002. It can be seen that the significance value is smaller than the calculated F value, so it can be concluded that the motivation variables, labor market considerations and financial rewards simultaneously affect student interest and the regression model can be said to be suitable and able to predict student interest variables. Meanwhile, based on the results of the coefficient of determination test, it shows the Adjusted R Square number of 0.120 so it is concluded that the variation of the independent variable in influencing the dependent variable is 14.7% and the remaining 85.3% is influenced by other factors not included in this research model.

The partial hypothesis test results show that the motivation variable has a t value of 2.065 and a significance value of 0.042. This indicates that this study supports the first hypothesis (**H1**) because the resulting significance level is <0.05 . The labor market consideration variable has a t value of -0.22 with a significance value of 0.982. This concludes that this study does not support the second hypothesis (**H2**) because it has a significance level >0.05 . The financial reward variable has a t value of 2.196 with a significance value of 0.033. This indicates that this study supports the third hypothesis (**H3**) because it has a significant level <0.05 .

Discussion

The results of the first hypothesis test in this study prove that there is an influence between motivation and accounting students' interest in working as public accountants. In this case, it proves that students are motivated to meet the needs of appreciation and actualization as described in Maslow's theory. Students feel that they need appreciation in the form of recognition from their environment which can increase their self-confidence if they become a Public Accountant considering that the number of Public Accountants based on indographic data in 2022 is only 1,470 people. In addition to the need for appreciation, the results of this hypothesis test also show that students need actualization, which means that students hope that if they become a public accountant, they can explore and develop their potential to the fullest because being a public accountant will always be required to recognize their potential and must be able to continue to develop this potential.

Motivation is the basic thing that encourages individuals to take an action and a decision that aims at a certain desire. Self-motivation is something that is not identical, which means that each individual has a different motivation according to the goals they want to achieve. Respondents in this study mean that they have realized the motivation within themselves to get something better so that respondents can determine their desire to become public accountants. This is supported by the results of the t statistical test which shows the results of the t value of 2.550 with a significant 0.012 which is smaller than 0.05 so that the conclusion is that this study supports the first hypothesis. This research is in line with the research of Arif et al which provides results that motivation affects the interest of accounting students to become public accountants. Motivation is a drive that comes from within that allows individuals to do something they want so that the amount of motivation students have will make the greater the interest of students to become public accountants. This research is also in line with Arifianto's research which provides the results of motivation affecting interest in becoming a public accountant. If self-motivation is getting stronger, the interest in becoming a public accountant will be higher.

The results of the second hypothesis test in this study prove that labor market considerations have no influence on the interest of accounting students in becoming public accountants. This is supported by the results of the t statistical test which shows the results of the t value of 0.378 with a significance value of 0.706 which means greater than 0.05 so it can be concluded that this study does not support the second hypothesis. Labor market considerations are related to the hierarchy of needs motivation theory which states that individuals have a level of need, namely the need for security. One of these needs for security includes guarantees for job continuity and

guarantees for old age when individuals can no longer be productive. Labor market considerations in this study include job security and the availability of easily accessible jobs. The job security in question is career continuity that can last a long time, meaning that employees will not feel anxious about termination of employment, while the easy access to job availability in question is a security or guarantee for employees to get a job because of the high demand for a service. If it is related to the current phenomenon, according to the indographic periodic report issued by the Center for Financial Professional Development (PPPK), Indonesia still really needs a lot of new Public Accountants considering that the number of Public Accountant increases from 2021 to 2022 is only 16 people and the number of Public Accountants with an age of less than 30 years is still very small so that, of course, this will increase the opportunity for students to work as Public Accountants given the increasing number of companies that need Public Accountant services. The results of the second hypothesis in this study were rejected, meaning that respondents did not agree with the question instrument related to job security and easy access to jobs in the field of public accounting services. This disagreement indicates the respondents' lack of reference regarding the consideration of the Public Accountant job market given the answers of research respondents about the profession of their parents, the majority of whom do not work as Public Accountants so that the profession is not considered broad.

This research is in line with research conducted by Dary & Ilyas which provides the results of labor market considerations that have no effect on the interest of accounting students to become public accountants. In the study it was said that respondents did not agree with the statement that job security as a public accountant was more secure because it was not easy to lay off and also did not agree with the statement that said that the job of a public accountant provided a broad type of work. This research is also in line with Luqman's research which provides research results that labor market considerations have no effect on accounting students' interest in becoming public accountants because guaranteed job security, job opportunities, jobs that are much needed in business and can work in various types of industries are also important factors in determining career choices so that students have considered labor market factors in choosing a career as anything later.

The results of the third hypothesis test in this study prove that financial rewards affect the interest of accounting students to become public accountants. This is supported by the results of research showing the t value of 2.196 with a significance value of 0.030 which means less than 0.05 so, it is concluded that this study supports the third hypothesis. Financial rewards are rewards for services that have been carried out by employees in the form of salaries, allowances, bonuses, incentives and other forms of rewards that can create a sense of satisfaction to employees for the efforts or performance they have done for the company so that financial rewards become one of the benchmarks of important considerations for someone when choosing a career that they will live in the future. Financial rewards are also related to the hierarchy of needs in the aspects of physiological needs and recognition needs. The link between physiological needs is because accounting students who are interested in becoming public accountants expect rewards that are in accordance with the energy they spend and are feasible according to the standard of meeting life needs because financial rewards must be based on justice, feasibility and fairness. So that this can mean that the interest of accounting students to become Public Accountants will increase along with the increase in financial rewards. This research is in line with research conducted by Ari et al, whose research provides results that financial rewards positively and significantly affect the career choices of accounting students. This is in line with the expectation theory because the career choice of accounting students will depend on the expectation of the award / salary that will be received can meet their individual needs financially. Research conducted by Suyono whose research shows the results that financial rewards have a partial and significant effect on accounting students' career choices as public accountants. Student interest in choosing a career as a public accountant is due to the expectations of students for financial rewards in the form of high starting salaries and rapid increases.

Conclusion

This study was conducted with the aim of examining the effect of student motivation, labor market considerations and financial rewards on accountant students' interest in a career as a public accountant. Motivation affects accounting students' interest in a career as a public accountant, motivation is the basic thing that encourages individuals to take an action and a decision that aims at a certain desire. Self-motivation is something that is not identical, which means that each individual has a different motivation according to the goals they want to achieve. Labor market considerations have no effect on accounting students' interest in a career as a public

accountant. Financial rewards affect accounting students' interest in a career as a public accountant. Simultaneously, motivation variables, labor market considerations and financial rewards affect student interest.

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